

# THE RISK TO DEPOSITORS

## UNDER THE SYSTEM OF MAKING DEPOSITS IN BANKS.

At the present time, when so many defalcations are taking place in our banks, and that too by men placed in the highest positions, it is worth the time and attention of the public to examine closely into the arrangements made for banking, so that if possible, a system may be devised which will reduce the chances of embezzlement to a minimum if not make it an absolute impossibility.

Now, under the present system, the depositor either takes or sends his call book with the deposit to the bank. The amount is entered in the call book by the teller; he also receives a ticket whereon is the amount of deposit. There is absolutely nothing to prevent the teller destroying the ticket and failing to enter the transaction in the books of the bank. It has been decided in the courts of law that a depositor cannot claim more than the amount given in the bank's books, no matter what the call book shows. Cases have been decided in this city to that effect. Also, the person carrying the call book can make an entry therein without calling at the bank, and so appropriate the money, as it is not always the same bank employee that enters the cash in the call book, and the amount entered being in figures only, the hand-writing is not easily traceable.

Every time the depositor has occasion to leave his call book at the bank to be made up or for any other purpose, he is then without any evidence whatever what money he has remaining in deposit at the bank. Cases may arise (in fact have arisen) in which a messenger may tell his employer that the call book was kept at the bank it being close upon settling up day, the fact being that he appropriated the money to his own use. Again—the books of the bank being only made up at certain periods, the discrepancy cannot be discovered until the books are balanced. An instance of fraud occurred in New York whereby a depositor lost \$1,500. The teller of the bank, being short of that amount in his bank accounts, denied having received call book, and afterwards made out a new one to correspond with the actual amount less the \$1,500.

On the other hand we show the security of a system which we feel sure will commend itself to the business men of this city, by the adoption of a duplicate book in order to register the amount deposited. By this system the depositor is insured against any loss by fraud on the part of bank employees, his own messenger, or any other persons, from the fact of his holding duplicate deposit tickets from the bank with the date stamp of the bank affixed. A bank stamp being affixed to any document makes such document valid in law.

## *THE MANNER OF USING THE DEPOSIT TICKET.*

With the deposit a duplicate book is handed to the teller, containing the name, date of the transaction, and the various items composing the deposit enumerated and footed. The teller, after verifying the amount of the deposit, places the date stamp on the duplicate ticket keeping the other for the bank. The duplicate ticket is retained by the depositor as a voucher for the deposit. This system does not in any way interfere with the use of the call book which may or may not be used. The cost of the deposit book is trifling when compared with the absolute safety secured by its adoption.

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